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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

MIDF EQUITY STRATEGY | 19 DECEMBER 2022

WEEK ENDED 16 DECEMBER 2022

- For the week, the S&P 500 fell -2.09%, the Dow Jones Industrial Average lost by -1.66% and the Nasdaq Composite Index declined -2.72% as recession worries resurfaced.
- Out of the 16 major indices that we track, most were in the negative territory, led by France's CAC 40 Index (-3.37%) and German's DAX Index (-3.32%). The only markets which saw gains were the Jakarta Composite Index (+1.45%) and Malaysia's FBM KLCI (+0.09%).
- The Fed hiked interest rate by 50bps to 4.25-4.50% at the Dec-22 Federal Open Market Committee (FOMC) meeting as expected.
- The United States (US) CPI inflation eased further to +7.1%yoy in Nov-22 (Oct-22: +7.7%yoy), the slowest increase in consumer prices since Dec-21 and better than market consensus of +7.3%yoy.
- Retail sales growth in the US slowed to +6.5%yoy in Nov-22 (Oct-22: +8.3%yoy), the slowest expansion since Dec-20.
- China's economic activities weakened in Nov-22 as industrial production growth slowed to +2.2%yoy in Nov (Oct-22: +5%yoy).
- India's headline inflation decelerated to an 11-month low at +5.9%yoy in Nov-22, slight below the Reserve Bank of India (RBI) inflation target range +2~6%.
- The FBM KLCI closed +0.09% higher for the week to close at 1,478.54. The Ringgit depreciated against the US dollar by -0.45% for the week to close at USD/MYR4.4242. Meanwhile, the Brent crude oil price climbed by +3.86% to close at USD79.04 per barrel last week.

MARKET STILL DIMMED

A. MARKET SNAPSHOT

- Benchmark indices on Wall Street continued to suffer a second straight week of losses primarily due to the Federal Reserve's hawkish comments that they are not over with raising rates and hinted that its benchmark rate would probably rise above 5% next year, worse than what investors expected just a few weeks ago.
- For the week, the S&P 500 fell -2.09%, the Dow Jones Industrial Average lost by -1.66% and the Nasdaq Composite Index declined -2.72% as recession worries resurfaced.
- Out of the 16 major indices that we track, most were in the negative territory, led by France's CAC 40 Index (-3.37%) and German's DAX Index (-3.32%).
- The only markets which saw gains were the Jakarta Composite Index (+1.45%) and Malaysia's FBM KLCI (+0.09%).

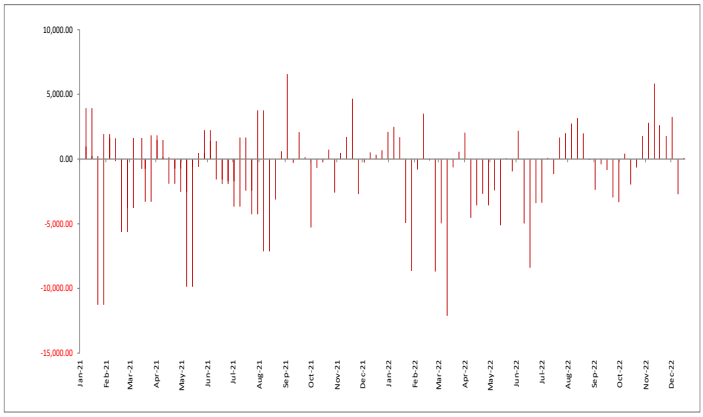
Table 1 Weekly performance of major indices

Index	% chg week before	% chg last week
JCI Index	-4.34	1.45
FBMKLCI Index	-0.31	0.09
FSSTI Index	-0.40	-0.16
SET Index	-1.13	-0.25
SHSZ300 Index	3.29	-1.10
TWSE Index	-1.77	-1.20
KOSPI Index	-1.86	-1.21
PCOMP Index	1.39	-1.27
NKY Index	0.44	-1.34
SENSEX Index	-1.09	-1.36
INDU Index	-2.77	-1.66
UKX Index	-1.05	-1.93
SPX Index	-3.37	-2.08
HSI Index	6.56	-2.26
DAX Index	-1.09	-3.32
CAC Index	-0.96	-3.37

- The Fed hiked interest rate by 50bps to 4.25-4.50% at the Dec-22 Federal Open Market Committee (FOMC) meeting as expected. The smaller rate hike marked the pivot in the Fed's policy tightening cycle after four back-to-back 75bps hikes since Jun-22.
- The United States (US) CPI inflation eased further to +7.1%yoy in Nov-22 (Oct-22: +7.7%yoy), the slowest increase in consumer prices since Dec-21 and better than market consensus of +7.3%yoy. The positive inflation reflected continued rise in shelter, energy and food prices.
- Retail sales growth in the US slowed to +6.5%yoy in Nov-22 (Oct-22: +8.3%yoy), the slowest expansion since Dec-20. This is in line with weaker consumer confidence as Americans were cautious in their spending plans and were more worried about economic and income outlook.
- China's economic activities weakened in Nov-22 as industrial production growth slowed to +2.2%yoy in Nov (Oct-22: +5%yoy), the slowest expansion in six months because of moderation in manufacturing output and declines in production of agriculture, textiles, electricity and communication.
- India's headline inflation decelerated to an 11-month low at +5.9%yoy in Nov-22, slight below the Reserve Bank of India (RBI) inflation target range +2~6%. The current average rate for 11MCY22 is +6.8%, slightly higher than RBI's forecasts +6.7%.
- Malaysia's IPI growth softened to +4.6%yoy in Oct-22, the slowest growth since May-22 but remained positive for the 14th consecutive month. The softer IPI growth reflected slower rise in production activities in manufacturing and mining sectors, as well as reduced electricity generation.
- The FBM KLCI closed +0.09% higher for the week to close at 1,478.54. The Ringgit depreciated against the US dollar by -0.45% for the week to close at USD/MYR4.4242. Meanwhile, the Brent crude oil price climbed by +3.86% to close at USD79.04 per barrel last week.

B. TRACKING MONEY FLOW - ASIA

Chart 1 Weekly Net Flow of Foreign Funds into 7 Asian Markets since Jan 2021 (USD'm)



Source: Bloomberg, Bursa Malaysia, MIDFR

- Based on the provisional aggregate data for the seven Asian exchanges that we track, investors classified as "foreign" net bought USD87.9m. There have been 21 weeks of net buying and 29 weeks of net selling so far this year.
- The net inflows by foreign investors from Asian equities that we tracked were led by India, Korea and Thailand.
- Foreign funds entered South Korea last week with a net buy of USD392.3m, after net selling -USD750.1m in the prior week. International investors were net buyers on Monday, Wednesday and Friday with the heaviest net buying recorded on Wednesday at USD319.74m. They turned net sellers on Tuesday and Thursday at -USD99.7m and -USD35.2m, likely due to the country's decision, together with the US and Japan, to impose more sanctions on North Korean officials connected to the country's weapons programs after Pyongyang's intercontinental ballistic missile test. Year-to-date, South Korea has seen a net foreign outflow of -USD8.97b.
- Similarly, Thailand saw foreign funds entering its shores last week at a rate of USD92.3m. The Stock Exchange of Thailand was closed on Monday due to a national public holiday in conjunction with their Constitutional Day. In a shortened trading week, the heaviest net buying by foreigners was recorded on Friday and Wednesday at USD66.24m and USD63.08m respectively. They briefly turned net sellers on Tuesday and Thursday at -USD0.9m and -USD36.1m, in light of the raising of retail power tariff for commercial users by about 21% next month to help electricity producers cope with rising cost of imported natural gas. According to the Energy Regulatory Commission, the average tariff for electricity users in agriculture, commerce, manufacturing and services sectors will increase to 5.69 baht (16 cents) per unit during the January-April period, from 4.72 baht (13 cents) currently. Nonetheless, the regulator left the tariff for household users unchanged. Year-to-date, Thailand has seen a net foreign inflow of USD5.43b, thus placing it as the best performing market in 2022 so far, out of the Asian markets that we monitor.
- International investors continued to be net sellers in Indonesia for the third consecutive week last week at -USD378.0m. They were net selling every trading day last week except on Thursday. Monday saw the heaviest net selling at -USD228.45m. This was likely due to the growing criticism by international investors on the country's newly passed criminal code last Tuesday that includes prohibitions on cohabitation and sexual relations outside of marriage. Placing second after Thailand, Indonesia has seen a total net foreign inflow of USD4.63b so far this year.
- International investors continued to dispose equities in the Philippines for the third consecutive week last week at a rate of -USD35.0m, slightly lower than the amount net sold in previous week recorded at -USD42.8m. Every trading day last week saw net outflows except on Thursday, which recorded a net buy of USD0.1m. The pessimism stayed even though the Philippine President Ferdinand Marcos Jr agreed to extend tariff cuts on imported rice and other food items to fight inflation until the end of 2023. The tariff rate for imported rice will remain at 35%, while the import levies on corn and pork products will stay at 5%-15% and 15%-25% respectively. The tariff for coal imports, a key fuel in power generation, will be kept at zero beyond the end of next year, but will be reviewed regularly. Year-to-date, the net foreign outflow from the Philippines amounted to -USD1.22b.
- India saw a continuation of net buying trend of USD733.0m, which was also the highest net buy record among the Asian markets we monitor last week. Foreign investors have promoted India as a dedicated allocation in their

[1] Based on 7 Asian markets, for which fund flow data is publicly available. These are our proxy for Asia: TIPs (Thailand, Indonesia, Philippines), Korea, Taiwan, India and Malaysia.

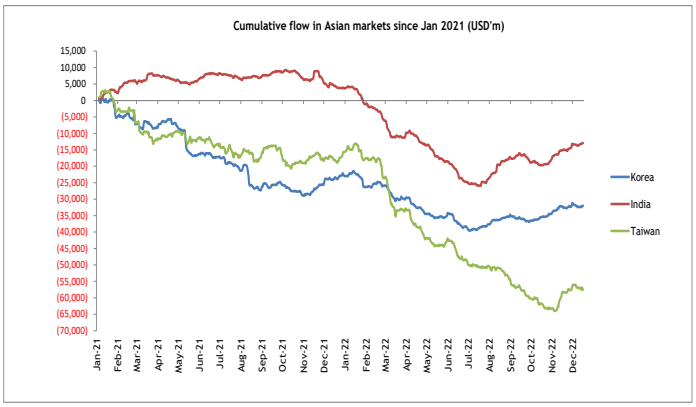
investment portfolios on the back of the country's strong economy, stable government and significant reforms undertaken over the last eight years. Year-to-date, India recorded a net foreign outflow of -USD16.65b.

- Taiwan saw the largest net foreign outflow among the Asian exchanges that we track last week at a rate of -USD656.2m, a continuation to the net foreign outflows in the week prior at -USD828.2m. Taiwan's central bank said it anticipates inflation to drop below 2% next year, which would signal an end to the current round of rate hikes, and cut its growth outlook for this year to reflect global economic woes. The decision came after the Fed raised its interest rates on Wednesday and hinted that it would propose more interest rate hikes next year even as the economy slips towards a possible recession. Year-to-date, Taiwan's total net foreign outflow stood at -USD41.98b, the worst performing market in 2022 so far, out of the Asian markets we monitor.
- Malaysia saw the second lowest foreign net outflow of -USD58.5m last week after the Philippines.

C. TRACKING MONEY FLOW - MALAYSIA

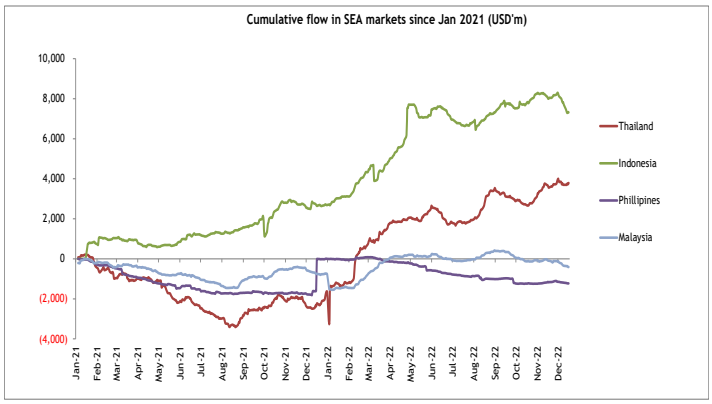
- Foreign investors remained as net sellers for the fifth consecutive week at a rate of -RM258.6m, which was slightly lower than the amount of net sold in the previous week (-RM731.8m).
- Every trading day last week was a net selling day by the foreigners, except for Wednesday. The heaviest net selling was recorded on Thursday at -RM179.0m. They net sold at lower rates on Monday, Tuesday and Friday at -RM52.2m, -RM36.2m and -RM12.6m. In contrast, Wednesday was the only net buying day by foreign investors at a rate of RM21.4m.

Chart 2 Net Flow of Foreign Funds into Taiwan, Korea and India since Jan 2021 (USD'm)



Source: Bloomberg, MIDFR

Chart 3 Net Flow of Foreign Funds into South East Asia Emerging Markets since Jan 2021 (USD'm)



Source: Bloomberg, Bursa Malaysia, MIDFR

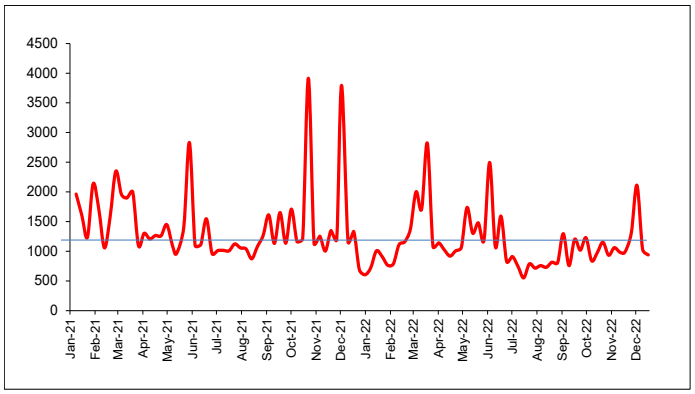
Table 2 Weekly Net Flow Of Foreign Fund Into Equity By Market (USD'm)

WEEK	KOREA	THAI	INDO	PHIL	INDIA	TAIWAN	M'SIA	TOTAL
04-Nov	1,039.70	374.66	52.81	13.22	2,041.70	(653.10)	(58.22)	2,810.77
11-Nov	1,264.67	385.29	(6.68)	36.42	255.80	2,951.00	90.72	4,977.22
17-Nov	(282.44)	(188.05)	(182.40)	29.91	1,409.30	2,721.00	(59.95)	3,447.37
25-Nov	353.94	149.62	127.22	41.84	152.50	926.20	(16.80)	1,734.52
2-Dec	577.06	124.74	(51.21)	(29.04)	1,386.90	1,315.30	(68.42)	3,255.33
9-Dec	(750.13)	(147.39)	(422.91)	(42.82)	(356.80)	(828.20)	(166.67)	(2,714.92)
16-Dec	392.34	92.27	(379.97)	(35.00)	733.00	(656.20)	(58.51)	87.93

Source: Respective exchange statistics reported on Bloomberg. Bursa Malaysia. These figures are subject to revisions.

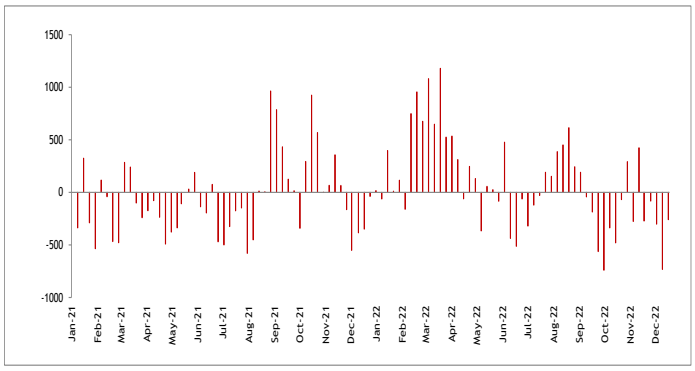
- The top three sectors that saw net foreign inflows were Telecommunications and Media at RM38.5m, Construction at RM35.2m and Consumer Products and Services at RM32.0m. Meanwhile, the top three sectors that saw net foreign outflows were Financial Services at -RM125.7m, Plantation at -RM108.2m and Healthcare at -RM78.6m.
- Local institutions continued to net buy for the third consecutive week on the back of a more stable political climate domestically which boosted investor sentiment. They net bought RM223.14m last week, which was lower than the RM680.4m recorded amount in the previous week. Every trading day last week was a net buying day for this investor class, with the heaviest net buying recorded on Thursday at RM134.81m.
- Meanwhile, local retailers continued to be net buyers last week at a rate of RM35.6m, slightly lower than the net buying of RM51.4m in the previous week. They were net buyers on Monday, Tuesday and Thursday with the heaviest net buying on Thursday at RM44.2m. They turned to net sellers on Wednesday and Friday at a rate of -RM29.7m and -RM9.1m respectively.
- Foreign investors have been net buyers for 27 out of the 50 weeks of 2022, with a total net inflow of RM4.54b. Local institutions were net sellers for 32 out of 50 weeks, with a total net outflow of -RM6.66b. Local retailers have been net buyers for 32 out of 50 weeks. Year-to-date, they have been net buyers at RM2.13b.
- In terms of participation, there was a decline in average daily trading volume (ADTV) among local institutions, retailers and foreign investors by -12.55%, -12.29% and -9.02% respectively.

Chart 4 Weekly Net Flow of Foreign Funds into Malaysian Equity since Jan 2021 (RM'm)



Source: Bursa Malaysia statistics, MIDFR

Chart 5 Foreign Participation on Bursa: Daily Average for the Week since Jan 2021 (RM'm)



Source: Bursa Malaysia statistics, MIDFR

Table 3 BURSA MALAYSIA: WEEKLY MARKET PARTICIPATION (RM'm)

Week ended	LOCAL RETAIL			LOCAL INSTITUTION			FOREIGN			
	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	NET (USD)*
11-Nov	2,318.15	2,491.72	(173.57)	3,840.74	4,092.78	(252.04)	2,671.15	2,245.53	425.62	90.72
17-Nov	1,829.66	1,710.12	119.55	3,146.22	2,993.71	152.49	1,829.52	2,101.56	(272.04)	(59.95)
25-Nov	3,745.88	3,659.97	85.91	6,223.50	6,227.70	(4.20)	3,225.37	3,307.08	(81.90)	(16.80)
2-Dec	2,586.09	2,716.17	(130.07)	5,576.23	5,145.00	431.22	4,073.01	4,374.16	(301.16)	(68.42)
9-Dec	2,969.24	2,917.84	51.39	5,461.87	4,781.54	680.35	2,214.97	2,946.70	(731.75)	(166.67)
16-Dec	2,599.43	2,563.84	35.58	4,590.35	4,367.31	223.14	2,218.77	2,477.40	(258.63)	(58.51)

Source: Bursa's data * Estimate by MIDF Research based on prevailing exchange rate.

D. MONEY FLOW AMONG BURSA'S TOP 100 CAPITALISED STOCKS: WEEK ENDED 16 DEC 2022

- MAYBANK recorded the highest net money inflow for the week ended 16 December 2022 at a rate of RM6.4m. Its share price closed 0.35% higher, outperforming the local bourse which closed 0.09% more.
- PMETAL had the second highest net money inflow of RM2.7m with its share price rising by +1.62%, outperforming the FBM KLCI.
- PCHEM posted the third highest net money inflow of RM2.7m. Its share price was down by -0.23%, underperforming the local benchmark. The net money inflow amid a dropping share price may indicated a buy on weakness (BOW) stance among some investors.

Table 4 Top 10 Net Money INFLOW

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
MAYBANK	6.35	8.35	0.35	-
PMETAL	2.74	1.95	1.62	-
PETCHEM	2.66	1.33	-0.23	BOW
IHH	2.29	1.69	-3.33	BOW
AMBANK	0.85	1.47	0.48	-
HONG LEONG BANK	0.82	1.35	0.87	-
SIME DARBY	0.69	0.59	0.46	-
IOI CORP	0.01	0.47	4.19	-
PUBLIC BANK	-0.89	-0.37	0.23	SOS
QL RESOURCES	-1.45	-1.49	1.44	SOS

- SIMEPLT registered the highest net money outflow of -RM1.2m last week. Nonetheless, its share price was up by +9.66%, outperforming the FBM KLCI. The net money outflow amid a rising share price may indicated a sell on strength (SOS) stance among some investors.
- CMSB posted the second highest net money outflow -RM1m. Its share price declined by -4.84%, underperforming the local bourse.
- MAXIS saw the third highest net money outflow of -RM0.2m. Its share price declined -3.87%, underperforming the local bourse.

Table 5 Top 10 Net Money OUTFLOW

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
SIMELPLT	-1.16	-1.40	9.66	SOS
CMSB	-0.96	-1.04	-4.84	-
MAXIS	-0.23	-0.40	-3.87	-
PPB GROUP	-0.20	-0.03	1.94	SOS
BURSA	-0.17	-0.04	0.75	SOS
PETRONAS DAGANGAN	0.24	-0.16	-0.72	BOW
YINSON	0.26	0.17	2.04	-
TIME DOTCOM	1.15	-0.16	1.65	-
GAMUDA	1.47	-0.19	1.92	-
CIMB	2.30	4.08	2.30	-

[2] Money flow indicates whether a particular stock is being more heavily purchased or sold. Money flow generally confirms price trend. As price rises, money flow is usually positive, vice versa. A divergence may portend a reversal in price trend. A rising stock price with a negative money flow can indicate a future price correction, vice versa. How is money flow calculated? When a trade is performed, its price is compared to the price of the previous trade (the first trade of the day is compared to the previous day's close). If the prices differ, either upticks or downticks, the value of the trade (price multiplied by number of shares) is added to or subtracted from the money flow respectively.

Source: Bloomberg, MIDFR

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Business Address:
11th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380